

1964

## CONGRESSIONAL RECORD — HOUSE

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in 1906; started his long O. & C. legal career in 1907 with a suit to have the Southern Pacific (successor to the O. & C. RR.) live up to the terms of the original grant. He had been, in 1905 in the Land Office of the U.S. Department of the Interior and had knowledge of the situation. He successfully carried the action through the Federal courts and twice to the U.S. Supreme Court. In 1910 and again in 1912 he was elected to Congress as a Republican but in 1914 was defeated by C. N. McArthur. In subsequent years in the fifties and sixties Mr. Lafferty on several occasions sought nomination and election to Congress to finish his O. & C. fight, but was unsuccessful.

When history is written, regardless of the contributions of others including the late Senator Chamberlain, there should be little doubt that the 18 O. & C. counties in effect today receive 75 percent of the timber and other income from O. & C. lands partly, at least, because of Mr. Lafferty's work, instead of 25 percent now received from national forest lands. The O. & C. lands are a vast domain, some 2,500,000 acres over an area 60 miles wide and 300 miles long. For more than a decade these counties have been receiving from \$12 to \$20 million annually (over \$111 million to date) and potentially in the present status, the O. & C. lands are a billion-dollar asset, and in time more, to these Oregon counties. Mr. Lafferty's goal, which he said was legally possible, was to have the title of the lands returned to Oregon so that the returns from them would go into the State treasury for the entire State. "Revested" to the U.S. Government, which had once given them to the railroad for Oregon's development, denied Oregon its full right in Mr. Lafferty's opinion. The history is long, involved, at times politically complex, and has often been reviewed in these columns and elsewhere. But for Mr. Lafferty, the fight for Oregon's rights and the returns now established, might never have been started. He had the vision; the legal know-how; the dogged determination; the political astuteness and the determination that accomplished so much, that when history is written, regardless of the credit due to some others, the Oregon status today in the O. & C. lands equity is a monument to Mr. Lafferty.

There was an interesting interim in Mr. Lafferty's life not of consequence to Oregon. Immediately after World War I he took the legal task which some eminent lawyers eschewed, and represented small German businessmen in reclaiming some of their equities in America seized by the Alien Property Custodian. He prospered, and practiced from New York where he owned a Park Avenue cooperative apartment; later bought the historic Calvert mansion in Baltimore, Md., which he sold at cost to the Maryland Historical Society for preservation. Mr. Lafferty never married.

Eminent men in the courts and Congress, the legislatures and the law offices communicated with him. He cherished the Oregon State bar certificate honoring him as a 50-year member. In his leisure hours he could be the most entertaining of men, with classical reference, legal anecdote and oratorical expansion; a veritable Don Quixote in victory over real and imagined enemies. But his work plumbs deep in Oregon history and he is destined to a place in it.

#### FOREIGN POLICY AND VIETNAM

(Mr. LINDSAY asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous matter.)

Mr. LINDSAY. Mr. Speaker, I do not suppose I should have been surprised to have been told by the administration one day this week that the military situation

in Vietnam remains grave, and then to hear the next day that there has been a very noticeable improvement in that war of late.

Defense Secretary Robert McNamara told the House Armed Services Committee Monday that this country must be ready to take all necessary measures to prevent a Communist victory in Vietnam. That is strong medicine.

But Tuesday, he told reporters that even though the picture in that embattled nation is not bright, he was encouraged by the progress of the last 2 weeks. Mr. McNamara reportedly believed that this Nation's press had written some overly pessimistic stories about his remarks to the Congress Monday.

Is Vietnam's war against the Vietcong improving or deteriorating? Will the United States be able to complete the major part of its military task in Vietnam by the end of 1965, as the White House said last October? Or must this country prepare to step even deeper into that war, as was implied in Mr. McNamara's first statement this week?

How can we, as Congressmen and citizens, answer these questions on the basis of Mr. McNamara's statements this week—his gloomy portrayal one day, then his more optimistic words the next? My constituents expect me to be informed. And they expect the press to give them an accurate reporting job. But I cannot be informed, and the press cannot report and analyze in the field of foreign affairs if our Defense Secretary and our Government insist on being inconsistent. I would like to voice my preference, too, for having the position of U.S. foreign policy stated by the President or the State Department rather than the Pentagon.

I cannot forget a statement made to a newsmen during the Cuban crisis a little more than a year ago by Arthur Sylvester, an Assistant Defense Secretary for Public Affairs: News generated by actions of the Government as to content and timing are part of the arsenal of weaponry that a President has in the application of military force and related forces to the solution of political problems or to the application of international pressures.

He added, the results, in my opinion justified the means we used.

The public must rely on two sources for news about the struggle in Vietnam, and about U.S. involvement in it: reports from newsmen in that country, and U.S. Government statements.

Newsmen in that country can only indicate from their observations what our policies might be. And, I might note that our Government has criticized some newsmen for their reports on the situation.

Thus, it is left to the administration to make clear what its policies are, and to substantiate them. The people have not given the administration authority to write and shape the news to suit its own ends.

Yet, Mr. McNamara's statements this week have left us hanging. We cannot tell from the information he has given us whether we may have to put more effort into the fight with the Vietcong. He hints at this, but then he

says recent progress has been "encouraging."

In fairness to Mr. McNamara, he may have, indeed, felt that his Monday remarks were misinterpreted in some news stories. And he may have felt the need to clarify them Tuesday.

But, as Mr. James Reston pointed out in his column Wednesday in the New York Times, Mr. McNamara leaves us in doubt as to whether the Johnson administration is preparing to pull out of Vietnam or step up the pace of the war.

Why should we be left in doubt?

Mr. Reston's column Wednesday seemed to me to be a very fair, intelligent analysis of Mr. McNamara's statements this week. I am inserting it with these remarks, and I urge my colleagues to consider its implications:

#### A MYSTIFYING CLARIFICATION FROM McNAMARA

(By James Reston)

WASHINGTON, January 28.—The first casualty in every war is truth, and the war in Vietnam has been no exception. Only now is the Pentagon confirming the gloomy newspaper reports it was denying last autumn, but its official statements are still so confusing that nobody can quite make out what the official view of the war actually is.

Secretary of Defense McNamara, for example, said today at a news conference that he was "encouraged by the progress of the last 2 weeks."

Yesterday, however, Mr. McNamara told the House Armed Services Committee that the situation in Vietnam continues grave and I must report that they [the Communists] have made considerable progress since the coup against the Diem Government last November.

These two statements are not necessarily contradictory, but the rest of Secretary McNamara's written statement to the committee not only illustrates the change in the official line since last fall, but leaves doubt about whether the Johnson administration is preparing to pull out of Vietnam or step up the pace of the war.

#### THE OFFICIAL DENIALS

Last fall the Kennedy administration was both trying to bring down the Diem government and complaining about reports from newspaper correspondents there on its efforts to bring that government down.

The official complaint then was that the reporters, particularly David Halberstam, of the New York Times, and Neil Sheehan, of United Press International, were concentrating on the political events in the capital of Saigon and ignoring the fact that the war was going well out in the country.

Yesterday, in contrast, Secretary McNamara said "the Vietcong [Communists] was quick to take advantage of the growing opposition to the Diem government and the period of uncertainty after its overthrow. Vietcong activities were already increasing in September and continued to increase at an accelerated rate in October and November, particularly in the delta area. And I must report that they have made considerable progress since the coup."

Yet, despite this analysis, the White House announced last October 2, after Secretary McNamara's return from Saigon: "The military program in South Vietnam has made progress and is sound in principle, though improvements are being energetically sought."

The White House statement added that 1,000 U.S. military personnel were being withdrawn by the end of 1963 and that "the major part of the U.S. military task can be completed by the end of 1965, although there

may be a continuing requirement for a limited number of U.S. training personnel."

Yesterday, however, McNamara, while defending this statement, both hoped that the Vietnamese could win the war by themselves and indicated that the United States might have to intervene with "all necessary measures within our capability."

"We hope that," he said, "with our full support, the new government can take hold and eventually suppress the Vietcong insurrection. The dry season will give us a firmer basis for this judgment. However, the survival of an independent government in South Vietnam is so important to the security of all of southeast Asia and to the free world that I can conceive of no alternative other than to take all necessary measures within our capability to prevent a Communist victory."

It may be that so many official statements on Vietnam have been so misleading in the past that observers here are seeing contradictions in McNamara's testimony that don't exist. But if the situation is "grave" and the Secretary of Defense can talk openly about even the possibility of "taking all necessary measures within our capability," then the time has come for a much wider inquiry into the Government's intentions.

If the situation is "grave," why are troops being withdrawn? If the Secretary of Defense is "encouraged by the progress of the last 2 weeks," why is he talking about "taking all measures within our capability"?

WHERE'S JOHNSON?

This would amount to a wholly new policy. Gradually, the United States has got sucked deeper and deeper into the bog in South Vietnam. First we were "training" the Vietnamese, then flying them into combat, usually without any clear knowledge among the American people about what was going on.

Our official objective there is very much like our objective in Korea: not to conquer the whole country, but to protect the independence of South Vietnam. So far as can be ascertained here, however, no effort has been made to negotiate a settlement before talking publicly about a wider war.

President Johnson has said nothing about this, and neither has Secretary of State Rusk, but it would be nice to know if any new intervention is now being considered.

I am also inserting an editorial that appeared yesterday in the Washington Post entitled "Retreat From Candor" the last sentence of which says:

Isn't it time for the administration to show more faith in the intelligence and good sense of the American people?

#### RETREAT FROM CANDOR

On Monday, Secretary of Defense McNamara told the House Armed Services Committee that the situation in South Vietnam remains grave and added: "I must report that they (the Communists) have made considerable progress since the coup." But on Tuesday, at a press conference, Mr. McNamara seemed to nullify his earlier comments by stressing that there has been a very noticeable improvement in the conduct of the war and that he was "encouraged by the progress of the last 2 weeks."

Verbal ambiguity is an old story on Vietnam. Americans, it seems, must be told that the war in that country is hard and difficult—but that it is getting better. This is an old story; the French generals in Indo-China made comments that sound very much the same.

As late as 1960, it was insisted that there was no guerrilla problem in South Vietnam, even though village chiefs were being slaughtered daily. A year ago, the Diem regime was praised as the shining hope of freedom and the strategic hamlet program was extolled as a cure-all for the guerrillas

disease. Now we know that the Diem regime was widely detested, and that Mr. McNamara concedes that in the vital delta area the hamlet program was overextended.

Throughout, there is the impression that the administration is reluctant to tell the American people the undiluted truth—that the Vietnam war is being fought on terrain favorable to the guerrillas and that the outlook for clear-cut military victory is bleak. Thus every pessimistic report must be followed, as Mr. McNamara demonstrated with his Tuesday remarks, by optimistic exhortations.

Isn't it time for the administration to show more faith in the intelligence and good sense of the American people?

#### REDUCING THE TAX ON LONG-TERM CAPITAL GAINS

(Mr. HALL was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. HALL. Mr. Speaker, today I have introduced a bill which would reduce the tax on long-term capital gains realized by individuals who have to sell their property in order to make room for Federal projects.

The bill would amend the Internal Revenue Code by providing special rules for property condemned by governmental units, or faced with the threat of condemnation.

The problem has been called to my attention by persons living in the area of the Stockton Reservoir in southwest Missouri. Many farmers who are forced to sell their property are finding it impossible to relocate without considerable additional cost above any profit they may realize on the sale of their property to Government.

Under the present law, a farmer who, under the threat of condemnation, sells his \$10,000 home for \$11,000, makes a profit of \$1,000. Section 1202 of the Internal Revenue Code now permits him to deduct 50 percent or \$500 and the remaining \$500 is taxed as a capital gain. If he is in the minimum 20-percent bracket, his tax liability is \$100.

Under my bill, 75 percent of the profit, or \$750 in this instance, would be excluded. Thus his tax would be only \$50 or half of what it would be under the present system. The provisions of the bill would, of course, apply to all instances where property is sold as a result of the threat or imminence of condemnation under the right of eminent domain.

I believe that property sold under this kind of pressure should be treated entirely different than when the seller is willing and not under any compulsion to sell. At the Stockton Reservoir, for example, many farmers are giving up not only their homes but their means of earning a living. This consideration should be paramount to any momentary profit they realize from this kind of forced sale.

#### UNITED STATES SHOULD NOT SURRENDER ITS SOVEREIGNTY

(Mr. HARSHA (at the request of Mr. STAFFORD) was granted permission to extend his remarks at this point in the

Record and to include extraneous matter.)

Mr. HARSHA. Mr. Speaker, we are faced with many grave problems with the numerous Communist-inspired troublespots around the globe and, undoubtedly, one of the most painful at the moment is the Panamanian Government's demands.

The country of Panama owes its entire existence to the United States and we have continually given friendship and economic support to it.

We have already conceded far too much to the Communists by letting them get a foothold in the Western Hemisphere and I am, therefore, introducing a concurrent resolution in the House of Representatives expressing the sense of Congress that the United States shall not surrender its sovereignty or control over the Canal Zone or the Panama Canal.

The grant by Panama to the United States of exclusive sovereignty over the Canal Zone in perpetuity for construction of the Canal and its perpetual maintenance, operation, and protection was an absolute, indispensable condition precedent to the great task undertaken by the United States, and the United States has fully performed its responsibilities under the treaty of 1903. Therefore, there is nothing to negotiate, and this country should stand firm.

This Nation has paid Panama the full indemnity and annuities agreed upon by the two nations, has completely carried out the terms of the treaty, and stands on firm moral and legal footing in this dispute, and under no circumstances should it yield to the Communist-inspired demands of Panama.

#### QUESTIONS ON ADMINISTRATION'S ECONOMIC PROGRAM

(Mr. CURTIS (at the request of Mr. STAFFORD) was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. CURTIS. Mr. Speaker, there are a number of important questions which should be raised by those who are concerned about the analysis and conclusions upon which the administration's economic program is based. The minority members of the Joint Economic Committee have prepared a number of questions which they are submitting to the Council of Economic Advisers for reply. When received, the answers will be included in the printed record of the committee's 1964 hearings on the President's annual economic report. I think it is important to call these questions to the attention of all who are interested in our economic situation since they may suggest fruitful lines for further investigation and inquiry.

Under unanimous consent previously granted I insert the list of questions at this point in the Record:

#### SUGGESTED QUESTIONS FOR THE COUNCIL OF ECONOMIC ADVISERS FROM THE MINORITY MEMBERS, JOINT ECONOMIC COMMITTEE, ANNUAL HEARINGS ON THE PRESIDENT'S ECONOMIC REPORT

1. The administration has said the fiscal stimulus which the economy will receive